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Honorable Dan Langshaw House Bill 110 Testimony
Ohio House Finance Committee
March 11, 2021

Chairman Oelslager, Vice Chair Plummer, Ranking Member Crawley, and House Finance Committee members. My name is Dan Langshaw, I am a former North Royalton City Councilman and former Treasurer for the Northeast Ohio City Council Association. Thank you for the opportunity to testify on House Bill 110 the State Operating Budget for FY 22 and FY 23.

I testify today as an interested party regarding this next biennium budget. There are things that I believe are good for local communities like mine and there are things that I believe this committee should consider amending to make the budget better for local governments and communities throughout Ohio.

We all know first-hand the negative impact the COVID-19 pandemic has had on all Ohioans, businesses, and local governments. This budget reflects a very positive commitment by all of you here in the General Assembly to begin a historic relief process that our state has never seen before. There are three areas of the budget that I believe are extremely helpful. They are as follows:

Small Business

According to a survey done a few months ago by the US Chamber of Commerce, 43% of small businesses surveyed believe that they have less than six months until a permanent shutdown is unavoidable during this pandemic. In my city of North Royalton we have seen this sad statistic play out as we have lost a number of our small businesses due to the pandemic. We have also experienced an unemployment rate of 11.2% for 2020 verses a 4.2% in 2019. The proposed \$460 million in the budget would offer grants for small businesses hardest hit by the pandemic. Breaking it down further, the \$200 million would be catered towards bars and restaurants, \$150 million for small businesses, and \$20 million for new businesses will significantly help COVID-19 relief efforts.

Infrastructure

Many of you on this committee have served in local government at one time and can recall one of the most common questions your constituents would ask you is “Can you fix my street?” In Northeast Ohio where I am from, we get hit hard by Mother Nature during the winter. This takes a toll on our public roadways with potholes, in addition to the continued challenges of addressing

repairs on our aging infrastructure. On average, my community of North Royalton spends about \$1 million annually on repairing our local roads. However, with aging infrastructure needs those costs rose in 2019 causing the city to spend about \$2.8 million on road repairs. So the \$450 million in this budget for local infrastructure projects will greatly help during these tough economic times and provide some good shovel ready jobs in the process too.

Law Enforcement

Public safety makes up the largest part of any municipal budget throughout Ohio. When I served as Chair for the Safety Committee in my tenure on city council, I sponsored legislation in 2019 for my city for the first time to equip our 35 police officers with body cameras and 15 police vehicles with dash cameras in our city's history. The purchase of this equipment from BodyWorn will cost my city about \$247,100 over five years. *(See attached January 14, 2020 Cleveland.com article)* Many other communities throughout Ohio are in the same position. So the \$10 million proposed in this budget would fund a grant program to help local law enforcement agencies who do not have cameras. Both will help provide relief to local governments and improve public safety in Ohio.

There are two areas of the budget that stand out needing to be amended to improve the overall biennium budget and COVID-19 relief efforts. They are as follows:

Governor's Ohio Ad Campaign

Governor Mike DeWine in his original budget proposes \$50 million for an ad campaign trying to persuade people to move to Ohio, particularly from higher cost states. As a fiscal conservative and listening to fellow residents this just seems to be wasteful spending. Where such money could be better used to provide additional relief to small businesses, local governments, or direct relief to Ohioans. Please take this out of the budget, reallocate this funding to more urgent priorities, and urge the Governor to persuade the private sector to do such ads but not at taxpayer expenses.

Local Government Fund (LGF)

Since 2011, the state has made deep cuts to the Local Government Fund by slashing it in half from 3.68% to 1.66% today. Last biennium budget back in 2019 in which I testified, it was positive to see the General Assembly approve HB 166 with a slight increase to LGF. However, this biennium the Governor proposed \$425 million in FY 22 and \$440 million in FY 23 to the LGF. Disappointingly this is going backwards on the progress made by HB 166 by returning the Local Government Fund to the statutory level of 1.66%. *(See attached LSC February 4, 2021 Revenue Forecast page 11)*

As a result, my own city of North Royalton has experienced approximately over \$7 million dollars in state local government funding cuts since 2011. *(See attached is a chart of a breakdown of those cuts since 2011)*. On top of a 2021 city budget for my community factoring in the impacts of the pandemic with a -3% decrease in 2020 income taxes and additional decrease this year of -1.5% decrease or about \$235,000 less is a big impact on any local government in Ohio. *(See attached North Royalton City Budget 2021 Projected Revenues)* I propose that this committee uses funds from the Governor's Ad Campaign or tap some money

from the state's rainy day fund at a minimum to keep the FY 2020 and FY 2021 LGF Levels in place for this biennium or higher than the 1.66%.

In closing Representatives, the decade of cuts in the local government fund, decline of the CAT tax, and elimination of the estate tax, and the negative economic impact of COVID-19 pandemic all highlights the importance that the General Assembly include as much COVID-19 relief in this budget so Ohio can successfully recover whether you are a small business, local government, or just an ordinary Ohioan.

Thank you for the opportunity to speak to you. I am happy to answer any questions you may have for me at this time and am available via email at danlangshawforforward3@yahoo.com

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1/14/2020 Cleveland-com Article

[cleveland.com](https://www.cleveland.com)

North Royalton buys cameras for police officers

By Bob Sandrick, special to cleveland.com

4-5 minutes



The City of North Royalton will buy body and dashboard cameras for its police officers. (Bob Sandrick, special to cleveland.com)

NORTH ROYALTON, Ohio -- For the first time, the city this year will equip its police officers with dashboard and body cameras, at a cost of \$247,100 over five years.

City Council has approved a contract with [Utility Associates Inc.](#), in Decatur, Ga., to provide BodyWorn brand cameras, [the same kind the City of Strongsville will likely purchase](#) later this year.

Bruce Campbell, North Royalton's director of public safety, said camera installation will start this month in the city's 15 police vehicles and in the uniforms of 35 police officers. He believes all dashboard and body cameras will be operating within the first quarter of 2020.

"Officer safety is a big issue for us," Campbell told [cleveland.com](#). "Officer complaints have been reduced to almost zero when these

systems were installed in other departments, according to the Ohio Association of Public Safety Directors.”

In North Royalton, complaints have included [charges of perjury, tampering with evidence and falsification](#) against one police officer. The charges stemmed from a 2018 arrest involving a cell phone video, taken by the person arrested, that reportedly contradicts the officer’s incident report.

Also, in 2017, [the city was sued](#) over the police shooting of a mentally ill man.

Last year, then-mayor [Robert Stefanik](#) said the city had discussed acquiring police body cameras as far back as 2010. The city waited until camera technology improved and prices came down.

Stefanik said last year that the [city was leaning toward a camera system by Motorola](#). Campbell said that changed after police tested BodyWorn.

“In some systems, the camera is on the outside of the officer’s uniform, and it can be pulled or knocked off,” Campbell said. “We liked BodyWorn because the camera goes inside a specially designed pocket, where it’s secure.”

Included in the BodyWorn package is a “smart holster” that detects when an officer draws his or her weapon and automatically turns on the body camera. A built-in accelerometer detects when an officer starts running and activates the camera. Officers can manually turn the camera off and on through a belt- or wrist-worn device.

Like in the system Strongsville plans to install, BodyWorn cameras will automatically send an alert if turned to a horizontal position, indicating that an officer is down. A GPS will ensure that dispatchers and other officers receiving the alert know where the downed officer is located.

Meanwhile, each police vehicle will have a dashboard camera aimed toward the windshield and another monitoring the back seat, where arrestees and prisoners are transported.

The system is programmable, so police can decide when the dashcams start recording. For example, they can turn on when

overhead lights and sirens are activated or when an officer steps out of the cruiser.

“Those decisions still have to be made,” Campbell said.

The package from Utility Associates will also include a new camera and microphone system for the police interview or interrogation room. It will provide multiple views, instead of the single view the room has now; more sensitive microphones; and improved recording capabilities, Campbell said.

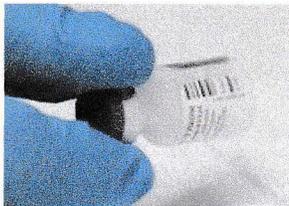
Campbell said the camera project is one of his last for the city. His position has been eliminated under new Mayor [Larry Antoskiewicz](#).

“I’m glad I got to see this project through to the end,” Campbell said.

Read more from the [Sun Star Courier](#).

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Recommendations



Around the web

REVENUE FORECASTS

Summary

The LBO baseline forecasts for FY 2022 and FY 2023 assume the current statutory tax structure, including tax changes enacted by the 133rd General Assembly. It thereby includes the changes to the personal income tax (PIT) enacted in H.B. 166 of the 133rd General Assembly, including the elimination of the two lowest tax brackets and a 4% reduction in nonbusiness income tax rates for incomes over \$21,750. LBO economists also accounted for a change in the nexus standard for the use tax enacted in H.B. 166 of the 133rd General Assembly; that change increased receipts from the sales and use tax by facilitating the collection of use taxes on online purchases. An enhancement to the earned income tax credit under the PIT, enacted in H.B. 62 of the 133rd General Assembly was also accounted for. Other tax changes having smaller revenue effects were also incorporated into the forecast.

One of the more dramatic recent tax changes was temporary and affects only the FY 2021 PIT estimate: the delay of the April 15, 2020, filing deadline until July. That had the effect of increasing FY 2021 PIT receipts. H.B. 197 of the 133rd General Assembly authorized the Tax Commissioner to delay the filing date.

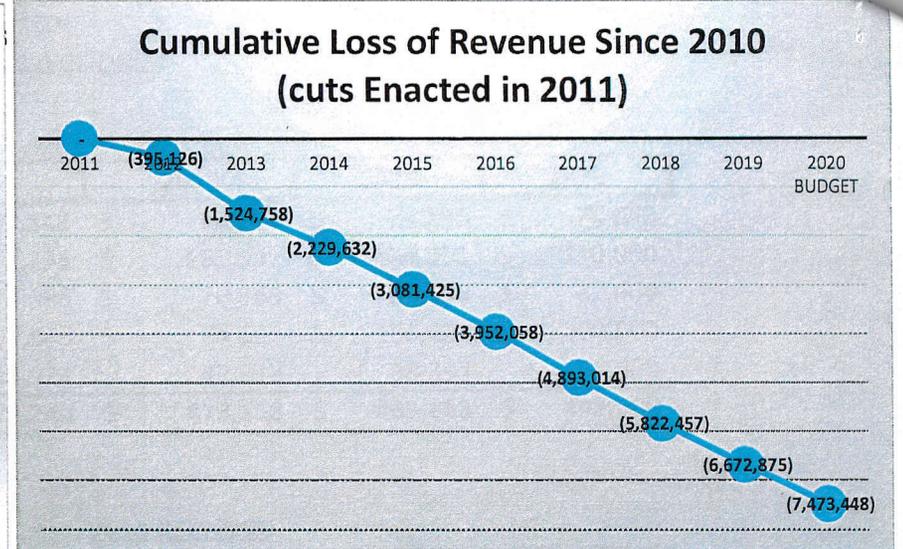
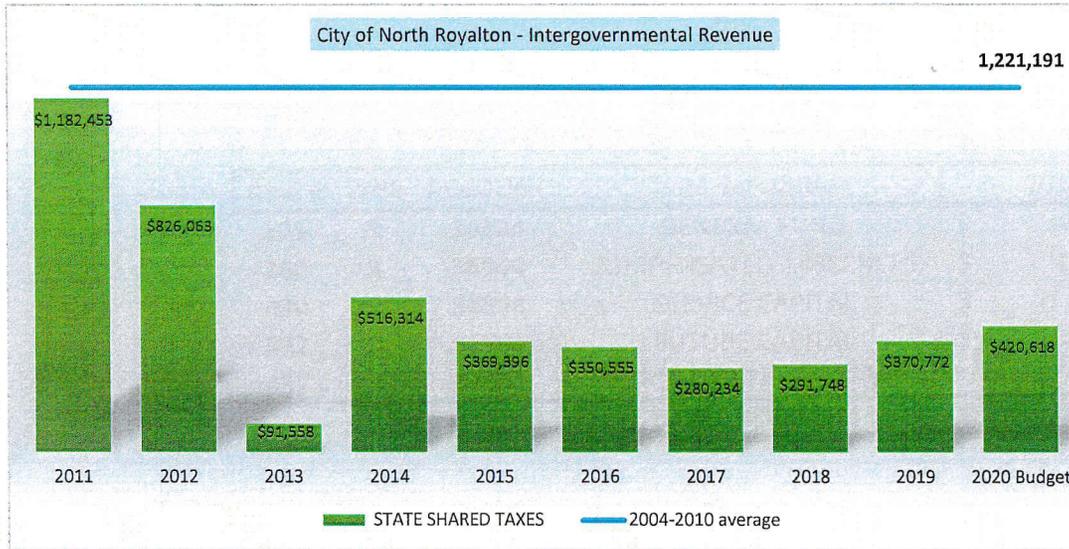
H.B. 166 included an uncodified provision that temporarily increased the share of GRF tax revenue allocated to the Public Library Fund (PLF) from its statutory level of 1.66% of such revenue to 1.70% for the current biennium. Another such provision temporarily increased the share of GRF tax revenue allocated to the Local Government Fund (LGF) from 1.66% to 1.68% for the biennium. The forecast assumes that the 1.66% shares in codified law will resume for the upcoming biennium for both funds.⁹

Three taxes that generated some revenue during FY 2020 and FY 2021, the corporate franchise tax (CFT), the business and property tax, and the estate tax, have been repealed. We expect no revenue from these taxes in future years.¹⁰

GRF tax revenue under current law is forecast to increase by \$448.3 million (1.8%) in FY 2022. Growth is expected for most tax revenue sources, as Ohioans' incomes are expected to recover from COVID-19 related economic dislocation. But the PIT is expected to decline slightly, because of the one-time boost that FY 2021 revenue received from the filing deadline delay. Also, the auto sales tax is forecast to decline slightly, giving up a bit of its strong FY 2021 growth, and the cigarette and other tobacco products tax is expected to resume its historical trend downward (that is usually interrupted only by an increase in tax rates, though there was a strong increase in the first half of FY 2021).

⁹ To give a sense of the amounts involved, assuming the PLF receives 1.66% instead of 1.70% of GRF tax revenue increases the forecast of GRF tax revenue by \$10.4 million in FY 2022, and decreases the expected amount of PLF revenue by the same amount.

¹⁰ The total GRF revenue collected from the three taxes amounted to less than \$500,000 in FY 2020, though FY 2021 revenue through January from the CFT was notably higher due to collections resulting from an audit. Recent revenue is due to adjustments to prior filings and audits, and drawn out settling of estates. The financial institutions tax, which first received revenue in FY 2014, replaced the CFT and the business and property tax.



Dept.	Object Name/Department	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 Budget
STATE SHARED TAXES	Local Gov't - County	557,521	378,240	6,099	238,743	262,924	297,272	270,202	291,748	317,729	320,618
STATE SHARED TAXES	Local Gov't Rev Assist	-	-	-	-	-	-	-	-	-	-
STATE SHARED TAXES	Local Gov't - State	100,210	69,698	56,804	56,116	44,096	20,715	7,515	-	53,043	100,000
STATE SHARED TAXES	Estate Tax	524,722	378,125	28,655	221,455	62,376	32,568	2,517	-	-	-
STATE SHARED TAXES		\$ 1,182,453	\$ 826,063	\$ 91,558	\$ 516,314	\$ 369,396	\$ 350,555	\$ 280,234	\$ 291,748	\$ 370,772	\$ 420,618
	Difference	(222,794)	(356,391)	(734,505)	424,756	(146,918)	(18,841)	(70,321)	11,513	79,024	49,846
	% change	-16%	-30%	-89%	464%	-28%	-5%	-20%	4%	27%	13%
	2004-2010 average	1,221,189	1,221,189	1,221,189	1,221,189	1,221,189	1,221,189	1,221,190	1,221,191	1,221,191	1,221,191
	Lost Revenue per year	-	(395,126)	(1,129,631)	(704,875)	(851,792)	(870,633)	(940,955)	(929,443)	(850,419)	(800,573)
ative Loss of Revenue Since 2010 (cuts Enacted in 2011)		-	(395,126)	(1,524,758)	(2,229,632)	(3,081,425)	(3,952,058)	(4,893,014)	(5,822,457)	(6,672,875)	(7,473,448)

Projected Revenues

- After a record year in 2019, City Income taxes are down in 2020 by -3%. We are predicting an additional decrease in 2021, due to lingering economic effects of the pandemic - 1.5% decrease or \$235,000 less.
- Income Tax remains the largest revenue source for operations, making up almost 80% of total General fund revenue, and will determine the sustainability of employee staffing and infrastructure improvements.

General Fund Revenue's by type (in millions)

